

Press Release – Q1'2025

MCB Bank Demonstrates Resilience with Q1 2025 Earnings of Rs. 11.65 per Share

Lahore – April 24, 2025: The Board of Directors of MCB Bank Limited (MCB), met under the Chairmanship of Mr. Mian Mohammad Mansha, to review the performance of the Bank and approved the condensed interim financial statements for the quarter ended March 31, 2025. The Board declared a first interim cash dividend of Rs. 9.0 per share, i.e. 90%, continuing the Bank's commitment to delivering consistent shareholder returns.

MCB reported a Profit Before Tax (PBT) of Rs. 29.3 billion and Profit After Tax (PAT) of Rs. 13.8 billion for Q1 2025, translating into Earnings Per Share (EPS) of Rs. 11.65. On a consolidated basis, PBT stood at Rs. 31.6 billion. These results underscore the Bank's prudent approach to balance sheet management, focus on core banking fundamentals, and disciplined risk framework.

The net interest income declined by 7.6% year-on-year on account of margin compression due to a normalization in the interest rate environment. However, non-markup income remained resilient at Rs. 9.2 billion, slightly up from Rs. 9.1 billion in the corresponding period last year. Fee and commission income stood at Rs. 5.3 billion, while foreign exchange income and dividend income contributed Rs. 2.2 billion and Rs. 1.7 billion, respectively. The Bank's continued investment in digital channels and process optimization enhanced both customer convenience and operational efficiency.

Operating expenses increased by 22% year-on-year, primarily driven by investments in talent, technology and marketing. However, the cost-to-income ratio remained efficient at 38.23%, reflecting disciplined financial management while continuing to invest in innovation and talent development.

Total assets grew by 17% over December 2024 to reach Rs. 3.2 trillion as of March 31, 2025. This growth was primarily led by a 56% increase in net investments (Rs. 658 billion), while gross advances decreased by Rs. 284 billion (-26%), in line with a measured approach to lending amid evolving macroeconomic dynamics.

The Bank achieved a milestone with current account deposits exceeding Rs. 1 trillion, raising the CA ratio to 51%. Deposits reported at Rs. 2.09 trillion, reflecting a 9% increase and strengthening MCB's domestic market share to 6.04% (up from 5.74% as of December 31, 2024). The domestic cost of deposits dropped significantly to 5.51%, compared to 10.70% in Q1 2024, supporting overall margin management.

MCB's return on assets (ROA) and return on equity (ROE) were reported at 1.88% and 24.12%, respectively, while book value per share stood at Rs. 194.82. As a leading player in the remittance segment, MCB recorded USD 1,169 million in home remittance inflows during the quarter, reflecting a 31% year-on-year growth. The Bank continues to support the State Bank of Pakistan's efforts to promote formal remittance channels and financial inclusion.

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Asset quality remained strong, with Non-Performing Loans (NPLs) at Rs. 53.5 billion, and coverage and infection ratios of 94.13% and 6.61%, respectively. These metrics underscore MCB's effective credit risk governance and diversified lending approach.

MCB maintained a robust capital position, with a Capital Adequacy Ratio (CAR) of 19.10%, and a Common Equity Tier-1 (CET1) ratio of 15.32%, significantly above regulatory thresholds. The Leverage Ratio stood at 6.18%, while liquidity indicators remained strong with Liquidity Coverage Ratio (LCR) at 252.37% and Net Stable Funding Ratio (NSFR) at 139.24%, both comfortably above the 100% regulatory requirement.

The Pakistan Credit Rating Agency (PACRA) reaffirmed MCB's long-term and short-term credit ratings at 'AAA' and 'A1+', respectively, through its notification dated June 22, 2024.

Despite ongoing macroeconomic challenges, MCB Bank remains committed to delivering long-term stakeholder value through sound financial stewardship, customer-centric innovation, and operational excellence.

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